

Washington, D.C. – Congressman Wally Herger (R-CA) today issued the following statement on the President's budget proposal for fiscal years 2011-2020:

"The President's call for a spending freeze, while commendable, is simply not enough. It won't take place until at least a year from now and would affect a mere 13% of spending in Washington. We need to do more - we need to cut spending and get our priorities in line with what the American people need. Washington must take meaningful steps to eliminate the waste, fraud, and abuse that has become expected in government spending. Promising to return to fiscal responsibility one day and proposing an unsustainable budget that will bury our children in debt the next is not good government.

"Not even a week ago, President Obama stood before a joint-session of Congress and told the American people that he was committed to a new era of fiscally responsibility. Shortly after that, he met with House Republicans and reiterated that same promise. Yet today, the President has unveiled a budget that continues down the same path of overspending and job killing tax policies that we experienced last year. This budget pushes spending to record heights, spending \$3.8 trillion in this year alone. Furthermore, President Obama's budget doubles the debt in 5 years and will triple it by 2019 while still burdening American families and small businesses with the largest tax increases in our nation's history. In all, over \$46 trillion dollars in spending over the next decade is included in the President's new budget. I am committed to standing up for commonsense fiscal discipline and tax relief that will create jobs and get our country back on track."

Additional Information:

Despite recent rhetoric of fiscal responsibility, the President's budget more than doubles the debt, drives spending to a new record of \$3.8 trillion in FY 2011, pushes the deficit to a new record of \$1.6 trillion in FY 2010, and raises taxes by over \$2 trillion through 2020 by the Administration's own estimates.

Debt. The President's FY 2011 budget doubles the debt in 5 years and triples it by FY 2019 from FY 2008 levels. It would push the debt to \$9.3 trillion this year, or 63.6% of gross domestic product [GDP], the largest debt in history and the largest debt as a share of our economy in 59 years. Despite the Senate's passage of a \$1.9 trillion increase in the debt limit, Congress would

need to increase this limit again before October 1, 2011 under the President's budget. The interest bill on the debt would more than quadruple by the end of the decade, reaching \$840 billion in 2020.

Annual Deficits. The budget boosts the deficit to a record level this year, \$1.6 trillion or 10.6% of GDP. This is the largest deficit as a share of the economy since World War II. Deficits never fall below \$700 billion, never fall below 3.6% of GDP, and end the decade at more than \$1 trillion.

Total Spending. Even with a decline in spending due to the repayment of most TARP funds and the eventual spend-out of "stimulus" funds, spending reaches a record level of \$3.8 trillion in FY2011. The budget does not include the spending impact of the Administration's cap-and-trade proposal. Even so, spending is still 23.7% of the economy at the end of the decade (the historical average is 20%).

Discretionary Spending Freeze? The Administration's freeze in nondefense, non-homeland, non-Veterans, non-international affairs, non-Pell Grant, non-emergency discretionary spending needs to be put in perspective. Since taking office, the President has signed appropriations bills and a "stimulus" that have led to an 84% increase in non-defense discretionary spending over two years. The spending freeze applies to only 13% of the budget and does not go into effect until next year.

Entitlement Spending. The budget includes a slew of new entitlement spending; the largest is a new health care entitlement that costs \$1 trillion.

Taxes/Revenues. By the Administration's own estimates, the budget increases taxes by more than \$2 trillion over 10 years -- and this excludes the revenue impact of the President's cap-and-trade proposals (\$843 billion by CBO's estimate of the House-passed cap-and-trade bill). In contrast to the President's statements, the budget increases taxes on those earning less than \$250,000, including new cap-and-trade taxes and a tax on those who do not purchase health insurance.

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